

Hearing Date and Time: May 9, 2006, 10:00 am

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Attorneys for International Union of Operating Engineers  
Local Union Nos. 18 and 832

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No.05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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SUPPLEMENTAL DECLARATION OF JIM GLATHAR  
IN SUPPORT OF IUOE LOCAL UNION NOS. 18 AND 832 OPPOSITION  
TO DELPHI'S MOTION FOR AUTHORITY TO REJECT  
COLLECTIVE BARGAINING AGREEMENTS

I, Jim Glathar, declare and state as follows:

1. I make this supplemental declaration in support of the Objections of IUOE Local 832-S to Delphi's Motion for Authority to Reject Collective Bargaining Agreements under 11 U.S. C § 1113 ( c ) and Motion to Modify Retiree Welfare Benefits under 11 U.S.C. § 1114(g).

Except as otherwise stated here, all of the facts I set forth in this declaration are based upon my personal knowledge and my experience as a union leader and negotiator or from information obtained in the course of the performance of my duties. If called upon to testify I could and would testify to the facts set forth here.

2. I have read the declaration of Delphi manager Robert Gerling and I believe he has taken the facts out of context. Negotiations between Delphi and IUOE Local 832 S historically occurred only at the local level (our International Union has no involvement and no contract with Delphi) with direct involvement of our chief steward. Historically, although Delphi would present its proposals to Local 832, negotiations would not happen between Delphi and Local 832 until Delphi had reached an agreement with the UAW on the national level first and then with the UAW local and only after Delphi had agreements on both those levels would they begin to seriously negotiate with us. The approach Delphi took to the negotiations both before and after it made its motion to reject our collective bargaining agreement, did not differ in any significant degree from the approach Delphi took in the past. I had no reason to believe nor did any Delphi representative, including Mr. Gerling, ever communicate to me that Delphi was prepared to negotiate anything with the IUOE ahead of reaching agreement with the UAW.

3. The conversations I had with Mr. Gerling were consistent with Delphi's prior bargaining patterns. On the occasions that I spoke with Mr. Gerling he consistently informed me of Delphi's intention to offer a retirement incentive package to Local 832 when Delphi got GM support but until May 15, 2005 he never gave us a proposal.

4. Mr. Gerling says that I never made a counter proposal to the Competitive Proposal or to the GM Consensual Proposal. But the proposals were not presented to Local 832 in any other framework than informational. Further, the GM Consensual Proposal is not a

viable proposal to which I could have responded, nor do I believe that Delphi expected negotiations to be done around the Consensual Proposal since we were not invited to any bargaining with GM, nor has Delphi ever said that it is prepared to put up the money to make the proposal real. There are no firm offers in the GM Consensual Proposal. It says that Delphi has the right to change anything it needs to change to meet its cost savings need. To this date, Delphi has not given me any indications of what savings it needs at the Rochester plant. Because of the many contingencies in the proposal, it is not a proposal I can even explain to my members much less expect them to ratify.

5. I have been advised by my attorneys that Delphi has submitted testimony from an expert in which he says that in assessing the wages it pays to its employees Delphi should compare them to wages of employees who work in very different skilled trades throughout the entire country according to Bureau of Labor Statistics data, and that based upon that data, Delphi should pay its skilled workers no more than \$21.50 per hour. My attorneys have shown me the Bureau of Labor Statistic data that the expert has relied upon (Exhibit A) and I have noted that the wages of the Stationary Engineers are not included in the data used by the expert and I have been advised that the expert did not include the wages of the stationary engineers in his analysis of Delphi's skilled trades.

6. I have reviewed the Bureau of Labor statistics data on Stationary Engineers, and I believe that is the only appropriate occupational category to use to compare the wages of the Delphi employees whom I represent. That is because stationary engineers have special skill, licensing and training requirements. The stationary engineers at Delphi start up, regulate, repair and shut down the systems which provide compressed air and heat for production in the plant as well as heat for the offices. They ensure that the equipment is operated safely and economically.

Their work entails exposure to high temperatures, dust , dirt and high noise levels. Stationary engineers acquire their skills through formal apprenticeship or thorough on the job training supplemented by courses at a trade school. Our national apprenticeship programs usually last 4 years and include 8,000 hours of on the job training.

7. I believe that Delphi's current base wage rate for Stationary Engineers is competitive. I am providing the court with the BLS wage data for Stationary Engineers which shows that the hourly mean wage for stationary engineers in motor vehicle parts manufacturing companies was \$28.58 in November, 2004. (Exhibit B) The base rate under our contract in 2005 ranged from 29.54 to \$30.40.

8. I have also been advised by my attorneys that the same expert witness has stated that the pool of workers from whom Delphi draws its employees is a nationwide pool so it is correct to use nationwide data. I don't know upon what the expert bases his opinion. All of the workers in the category of stationary engineer in the Rochester plant come from around the Rochester area. Four out of the six have from 27 to 30 years of service, one has around 22 years and one has around 7 years.

9. I have discussed with the bargaining unit members the effects upon them of the contract changes Delphi proposes and the wage cuts it proposes to make if it does not get GM support. The combination of the wage cuts, the benefit cuts and the unspecified increases in health insurance costs are creating stress and anxiety not only because they will result in a drastic reduction in income but because of the uncertain nature of the proposals. The wage cuts amount to more than \$10 per hour or in excess of \$20,000 per year. Some of the members anticipate having to refinance mortgages or sell their homes to meet current expenses, including college

tuition One employee is concerned that he will not be able to continue to pay for nursing home costs for his mother.

10. I declare under penalty of perjury, and pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed this 16<sup>th</sup> day of May, 2006.

/s/  
Jim Glathar

# Exhibit A

To

**SUPPLEMENTAL / REBUTTAL DECLARATION  
OF JAMES GLATHAR IN SUPPORT OF  
INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCALS 18 AND 832 TO DEBTORS'  
MOTION FOR AUTHORITY TO REJECT  
COLLECTIVE BARGAINING AGREEMENTS AND  
TO MODIFY RETIREE BENEFITS.**

## **SKILLED WORKERS**

### **Report Method:**

Comparison of simple average wage among 7,200 skilled Delphi workers with:

Unweighted average NCS wage across 12 national occupations in which approximately 85% of Delphi's skilled workers belong.

Carpenters  
Electricians  
Industrial machinery repairers  
Inspectors, testers and graders  
Machinery maintenance  
Machinists  
Millwrights  
Patternmakers and modelmakers, metal  
Plumbers, pipefitters and steamfitters  
Precision inspectors, testers, and related workers, n.e.c.  
Tool and die makers  
Welders and cutters

# Exhibit B

To

**SUPPLEMENTAL / REBUTTAL DECLARATION  
OF JAMES GLATHAR IN SUPPORT OF  
INTERNATIONAL UNION OF OPERATING  
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Industry	Employment	Hourly mean wage	Annual mean wage
<b><u>General medical and surgical hospitals</u></b>	6,210	\$22.37	\$46,530
<b><u>Local government (OES designation)</u></b>	5,540	\$23.40	\$48,670
<b><u>Power generation and supply</u></b>	3,310	\$24.89	\$51,780
<b><u>Colleges and universities</u></b>	3,230	\$20.02	\$41,640
<b><u>State government (OES designation)</u></b>	3,000	\$21.65	\$45,030

Top paying industries for this occupation:

Industry	Employment	Hourly mean wage	Annual mean wage
<b><u>Postal service</u></b>	110	\$29.40	\$61,150
<b><u>Motor vehicle parts manufacturing</u></b>	240	\$28.58	\$59,440
<b><u>Computer systems design and related services</u></b>	80	\$27.75	\$57,710
<b><u>Turbine and power transmission equipment mfg.</u></b>	70	\$27.01	\$56,170
<b><u>Semiconductor and electronic component mfg.</u></b>	60	\$26.88	\$55,900

State profile for this occupation: **Top**

States with the highest concentration of workers in this occupation:

State	Employment	Hourly mean wage	Annual mean wage	Percent of State employment
<b><u>District of Columbia</u></b>	790	\$24.53	\$51,030	0.130%
<b><u>Maine</u></b>	560	\$19.17	\$39,860	0.094%
<b><u>Wyoming</u></b>	170	\$23.29	\$48,440	0.069%
<b><u>Minnesota</u></b>	1,810	\$21.89	\$45,520	0.069%
<b><u>Maryland</u></b>	1,520	\$20.14	\$41,890	0.061%

Top paying States for this occupation:

State	Employment	Hourly mean wage	Annual mean wage	Percent of State
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